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Financing of the United Nations Iraq-Kuwait Observation Mission

Report of the Secretary-General

Summary

The present report provides details on the final disposition of the assets of the United Nations Iraq-Kuwait Observation Mission (UNIKOM). The inventory value of the Mission's assets as at 3 July 2003 amounted to $23,916,522. The disposition of the assets has been undertaken in accordance with United Nations Financial Regulation 5.14.

Summary of the final disposition of the assets of the United Nations Iraq-Kuwait Observation Mission
(Thousands of United States dollars)

Category	*Inventory*	*Percentage*
Group I: transferred to other missions or for temporary storage to the United Nations Logistics Base at Brindisi	12 643.4	52.9
Group II: disposed of in the Mission area	3 743.7	15.6
Group III: written-off/stolen	7 529.4	31.5
Total	**23 916.5**	**100.0**

The action to be taken by the General Assembly, as set out in paragraph 8 of the present report, is to take note of the present report on the final disposition of the assets of UNIKOM.

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Contents

		Paragraphs	Page
I.	Introduction	1	3
II.	Classification and disposition of the assets of the United Nations Iraq-Kuwait Observation Mission	2–7	3
III.	Action to be taken by the General Assembly	8	5

I. Introduction

1. The present report contains information on the final disposition of the assets of the United Nations Iraq-Kuwait Observation Mission (UNIKOM), whose mandate expired on 6 October 2003.

II. Classification and disposition of the assets of the United Nations Iraq-Kuwait Observation Mission

2. The process of liquidating the assets of UNIKOM was guided by the following principles and policies contained in United Nations Financial Regulation 5.14:

(a) Equipment in good condition that conforms to established standardization or is considered compatible with existing equipment will be redeployed to other peacekeeping operations or will be placed in reserve to form start-up kits for use by future missions;

(b) Equipment not required for current or future peacekeeping operations may be redeployed to other United Nations activities funded from assessed contributions, provided that there is a demonstrated need for the equipment;

(c) Equipment not required for current or future peacekeeping operations or other United Nations activities funded from assessed contributions but which may be useful for the operations of other United Nations agencies, international organizations or non-governmental organizations will be sold to such agencies or organizations;

(d) Any equipment or property not required or which it is not feasible to dispose of in accordance with subparagraphs (a), (b) or (c) above or which is in poor condition will be subject to commercial disposal in accordance with the procedures applicable to other United Nations equipment or property;

(e) Any assets which have been installed in a country and which, if dismantled, would set back the rehabilitation of that country shall be provided to the duly recognized Government of that country in return for compensation in a form to be agreed by the Organization and the Government. This refers in particular to airfield installations and equipment, buildings, bridges and mine-clearing equipment. Where such assets cannot be disposed of in this manner or otherwise, they will be contributed free of charge to the Government of the country concerned. Such contributions require the prior approval of the General Assembly.

3. Based on the inventory records as at 3 July 2003, the assets of UNIKOM amounted to an inventory value of $23,916,522. These assets have been grouped into 15 categories of equipment presented in standard peacekeeping operation budgets: accommodation equipment, communications equipment, data-processing equipment, field defence equipment, generators, medical equipment, miscellaneous equipment, observation equipment, office equipment, petrol tank plus metering equipment, prefabricated buildings, refrigeration equipment, vehicular equipment, water and septic tanks and water purification equipment.

4. In accordance with the principles and policies recalled in paragraph 2 above, the assets of UNIKOM have been placed into three groups as presented in summarized form in table 1 below.

Table 1
Summary of the final disposition of assets of the United Nations Iraq-Kuwait Observation Mission
(Thousands of United States dollars)

Category	*Inventory value*
Group I: transferred to other missions or for temporary storage to the United Nations Logistics Base at Brindisi	12 643.4
Group II: disposed of in the Mission area	
Sold	3 743.7
Donated	—
Group III: written-off/stolen	
Written-off	7 402.8
Stolen	126.6
Total	**23 916.5**

5. Group I includes assets identified as meeting the requirements of peacekeeping operations or United Nations activities funded from assessed contributions. The items in this group, with an inventory value of $12,643,412 (52.9 per cent of total asset value), have been transferred to other United Nations missions, United Nations Headquarters and the United Nations Logistics Base at Brindisi, for temporary storage pending future use.

6. Group II consists of assets with an inventory value of $3,743,721, representing 15.6 per cent of the total inventory value of UNIKOM assets. It consists of assets sold locally and at depreciated value to the extrabudgetary programmes undertaken by the United Nations offices, programmes and agencies, and to international organizations as well as private companies and individuals. The amount of $496,280, representing the proceeds of sale, was credited as miscellaneous income to the UNIKOM Special Account (see table 2).

7. The value of the assets in group III totals $7,529,389, representing 31.5 per cent of the total asset inventory value. These assets have been written off as a result of accidents and damage caused by natural elements and acts of war, obsolescence and loss owing to theft. Information on all items in the various categories of assets written off are summarized in table 3.

Table 2
Sale of the assets of the United Nations Iraq-Kuwait Observation Mission
(Thousands of United States dollars)

Sold to	*Inventory value*	*Sale value*
United Nations agencies, international organizations and non-governmental organizations	95.0	26.5
Private companies and individuals	3 648.7	469.8
Total	**3 743.7**	**496.3**

Table 3
Written-off United Nations property reported by the United Nations Iraq-Kuwait Observation Mission
(Thousands of United States dollars)

Category	*Inventory value*	*Residual value*
Normal wear	2 694.8	1 643.8
Accident	48.0	35.0
Loss	2 982.7	1 819.4
Damage	14.4	8.8
Uneconomical to recover	1 662.9	1 014.3
Theft	126.6	50.5
Total	**7 529.4**	**4 571.8**

III. Action to be taken by the General Assembly

8. **The action to be taken by the General Assembly is to take note of the present report on the final disposition of assets of UNIKOM.**